

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 COME-00 DOTE-00 FMC-01 CG-00 OFA-01 DLOS-04

AID-05 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04

SIL-01 OMB-01 FEA-01 STR-04 /090 W

----- 001648

R 302046Z JUN 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 9280

INFO AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

AMEMBASSY KINGSTON

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY MEXICO

AMEMBASSY PORT OF SPAIN

AMEMBASSY BRIDGETOWN

AMEMBASSY GUATEMALA

AMEMBASSY PORT AU PRINCE

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTO DOMINGO

AMEMBASSY TEGUCIGALPA

AMCONSUL BELIZE

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PASS TO R. BOURDON, MARAD

E.O. 11652: N/A

TAGS: EWWT ETRD XL

SUBJECT: SHIPPING; CARIBBEAN MULTINATIONAL FLEET (NAMUCAR)

REF: A. CARACAS 5599 B. STATE 114878

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1. SUMMARY. MEETING HELD AT NAMUCAR PROVISIONAL HEADQUARTERS IN SAN JOSE, COSTA RICA, BETWEEN JUNE 9 AND 13 RESULTED IN COMPILATION OF ACTA FINAL DE LA 2A REUNION DE LAS PARTES FIRMANTES DE LA EMPRESA NAVIERA MULTINACIONAL DEL CARIBE. THIS DOCUMENT SETS FORTH SOME AGREEMENTS BUT DEALS PRINCIPALLY WITH RECOMMENDATIONS CONCERNING NAMUCAR'S BASIC ORGANIZATIONAL CONCEPTS. END SUMMARY.

2. ON JUNE 26/27, EMBASSY OFFICER MET WITH MARIANO TIRADO, CHIEF OF DEPARTMENT OF TRANSPORTATION, MINISTRY OF FOREIGN AFFAIRS, WHO WAS A DELEGATE TO THE JUNE 9/13 MEETING. COPIES OF REPORT OF MEETING, WHICH PUBLISHED UNDER ACTA FINAL DE LA 2A REUNION, WE UNDERSTAND, MAY BE AVAILABLE IN SAN JOSE AND MEXICO CITY ALTHOUGH NOT AVAILABLE IN CARACAS AT THIS TIME.

3. AT OUTSET, TIRADO REITERATED HIS VIEW THAT NAMUCAR IS NOT GOOD FOR VENEZUELA SINCE THIS COUNTRY HAS NOTHING TO GAIN. ON THE CONTRARY, VENEZUELA WILL BE REQUIRED TO UNDERGO SUBSTANTIAL EXPENDITURES. ACCORDING TO TIRADO, MEXICO, WHICH CONNED OTHER NATIONS OF CARIBBEAN INTO GOING ALONG WITH NAMUCAR, STANDS TO GAIN MOST. HE CHARGED THAT INSUFFICIENT PRIOR STUDY WAS GIVEN TO NAMUCAR, PARTICULARLY INsofar AS ECONOMIC AND POLITICAL CONSEQUENCES ARE CONCERNED. IN TIRADO'S OPINION, WITH EXCEPTION OF VENEZUELA, COLOMBIA AND MEXICO, NO OTHER SIGNATORY (OR NON-SIGNATORY) CARIBBEAN NATION HAS ANYTHING TO OFFER SINCE THEY ARE, FOR THE MOST PART, NON-PRODUCTIVE. HE IS CONVINCED THAT NAMUCAR IS STRICTLY POLITICALLY INSPIRED (REF B) AND HE EMPHASIZED HIS PERSONAL VIEW THAT VENEZUELA SHOULD HAVE NO PART IN IT.

4. FOLLOWS HIGHLIGHTS OF JUNE 9/13 MEETING: AGREED TO MEET AGAIN ON JULY 15 AT SAN JOSE TO FURTHER DISCUSS MATTERS ALREADY TAKEN INTO CONSIDERATION BUT NOT YET AGREED TO.

5. LIC. ANTILLON SALAZAR OF COSTA RICA WAS ELECTED AS PRESIDENT OF JUNE 9/13 MEETING. THREE SUBCOMMITTEES WERE FORMED TO FORMULATE INITIAL RECOMMENDATIONS ON SUCH TOPICS AS ROUTES AND CARGOES, INCLUDING CARRYINGS OF INDIVIDUAL MEMBER#FGTIORU

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DURING 1975 AND ESTIMATED AND POTENTIAL CARRYINGS FOR 1976;
HEADQUARTERS SITE; ACQUISITION OF VESSELS; PORT FACILITIES;
SHIP OPERATIONS; CHARTERS; PERSONNEL DISTRIBUTION; FLAG;
COMMERCIAL, LABOR AND TARIFF LEGISLATION; INCENTIVE CARGOES;
EXECUTIVE AND MANAGEMENT STAFF AND ADVISORS; INITIAL CAPITALIZATION FOR PURPOSES OF OPERATING EXPENSES AND FORMULAS FOR DETERMINING MEMBERS' SHARE.

6. AGREED TO FORM AD HOC GROUPS TO STUDY INITIAL PROBLEMS ON THE ABOVE TOPICS.

7. AGREED THAT COUNTRY OF REGISTRY OF VESSEL IS A FUNDAMENTAL POINT IN DETERMINING FLAG OF VESSEL. FACILITIES AND ADVANTAGES OF CHOSING ONE FLAG OVER ANOTHER TO BE DISCUSSED. QUESTION OF FLAGS OF CONVENIENCE ALSO TO BE CONSIDERED. UNDER THESE DISCUSSIONS, NATIONS' SOCIAL AND ECONOMIC CONDITIONS, INCLUDING CARGO RESERVATION LAWS, PORT CONGESTION, ETC. TO BE TAKEN INTO CONSIDERATION. OTHER QUESTIONS CONCERNING VESSELS ARE (A) REGISTRY IN SOME OR ALL OF NAMUCAR COUNTRIES; (B) REGISTRY IN COUNTRY WHERE HEADQUARTERS IS ESTABLISHED; AND (C) REGISTRY IN COUNTRIES OFFERING MAJOR ADVANTAGES.

AS RECEIVED.

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PASS TO R. BOURDON, MARAD

8. AGREED THAT VITAL CONSIDERATION BE GIVEN TO OBTAINING QUALIFIED SEAGOING PERSONNEL SINCE DEMAND FAR EXCEEDS SUPPLY, PARTICULARLY MACHINISTS AND MARINE ENGINEERS. SUGGESTED THAT SCHOLARSHIPS BE MADE AVAILABLE BY NATIONS HAVING MERCHANT MARINE ACADEMIES TO PERSONNEL OF LIMITED OFFICIAL USE

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THOSE MEMBER COUNTRIES WHICH HAVE NO SUCH TRAINING FACILITIES. QUESTIONS OF REMUNERATION, LIFE AND MEDICAL INSURANCE, FRINGE BENEFITS, SOCIAL SECURITY, ETC., ALSO TO BE CONSIDERED IN CONSULTATIONS WITH APPROPRIATE LOCAL AND INTERNATIONAL LABOR UNIONS.

9. UNDER COMPARATIVE STUDY OF FISCAL, LABOR AND TARIFF LEGISLATION, AGREED THAT TWO POINTS SHOULD BE CAREFULLY CONSIDERED: 1) RESULTS IF NAMUCAR HEADQUARTERS IS ESTABLISHED IN A PARTICULAR COUNTRY AND 2) RESULTS IF HEADQUARTERS IS NOT ESTABLISHED IN A PARTICULAR COUNTRY. THESE POINTS TO BE DISCUSSED TAKING INTO CONSIDERATION THE OVERALL GOOD OF THE ORGANIZATION. ALSO FOR STUDY ARE DIRECT AND INDIRECT TAXES, CARGO CLAIMS, INCENTIVES, EXEMPTIONS, SUBSIDIES, LAWS RELATED TO NAVIGATION, DUTIES, EXCHANGE CONTROLS, RATES OF EXCHANGE, ETC.

10. AGREED TO ARRANGE FOR VESSEL HULL AND MACHINERY INSURANCE.

11. AGREED TO ESTABLISH A PERMANENT GROUP OF EXPERTS TO CONSIST OF REPRESENTATIVES OF MEMBER NATIONS. RECOMMENDED THAT NAMES OF NOMINEES (ONE FROM EACH MEMBER NATION) BE SUBMITTED TOP PROVISIONAL SECRETARIAT AT SAN JOSE, NO LATER THAN JUNE 30, 1974. THIS GROUP WILL CONCENTRATE ON PERMANENT STUDIES RELATED TO TECHNICAL, ECONOMIC AND ADMINISTRATIVE PROBLEMS.

12. AGREED TO ESTABLISH A COMMON FUND IN THE AMOUNT OF \$500,000 TO COVER INITIAL ADMINISTRATIVE OPERATING EXPENSES. ASSESSMENTS WILL BE DEPOSITED IN A BANK ACCOUNT UNDER NAME OF NAMUCAR. EACH MEMBER TO CONTRIBUTE A SPECIFIC AMOUNT (APPROXIMATELY \$64,000 EACH FOR CURRENT EIGHT SIGNATORIES - PAYABLE IN TWO INSTALLMENTS) AND A

PERSON OR PERSONS WILL BE AUTHORIZED TO ATTEND TO THE FUND'S DISPOSITION. THIS FUND IS NOT TO BE CONFUSED WITH THE INITIAL CAPITALIZATION OF \$30 MILLION AND THE ADDITIONALLY AUTHORIZED \$70 MILLION, MAKING A CAPITALIZATION LIMIT OF \$100 MILLION. IT WAS ALSO AGREED THAT THE SECRETARIAT WOULD REPORT MONTHLY ON ALL BUDGETED AND NON-BUDGETED ACTIVITIES.

13. RECOMMENDED THAT MEMBERS SUBMIT REPORTS OF CARGO LIMITED OFFICIAL USE

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MOVEMENTS BETWEEN 1971 AND 1974, MONTHLY AND ANNUALLY, BY TONNAGE, VOLUME, PORTS OF ORIGIN AND DESTINATION ETC., TO BE SUBMITTED BY JUNE 30.

14. RECOMMENDED CALENDAR OF EVENTS - APPLICABLE TO INDIVIDUAL SIGNATORY MEMBERS WHICH ARE COLOMBIA, COSTA RICA, CUBA, JAMAICA, MEXICO, NICARAGUA, PANAMA AND VENEZUELA:
DUE BY JUNE 30, 1975: (A) ALL COMMITTEE REPORTS ON INITIAL STUDIES, (B) FIRST PAYMENT ON INITIAL OPERATING AND ADMINISTRATIVE FUND, (C) NAMES OF SPECIALISTS AND SPECIALTIES TO COMPOSE AD HOC STUDY GROUPS, (D) CARGO INFORMATION REPORTS; AND (E) SUGGESTIONS ON SITE FOR HEADQUARTERS. DUE BY JULY 14: PERMANENT GROUP OF EXPERTS TO BE INTEGRATED IN SAN JOSE.
DUE BY JULY 15: REPORTS ON FREIGHT RATES, TARIFFS AND OTHER SHIPPING COSTS. DUE BY JULY 31: SUGGESTIONS, MODIFICATIONS, PROPOSALS OR COUNTER-PROPOSALS TO BE CONSIDERED. DUE BY AUGUST 15: (A) NAMES OF SUGGESTED CANDIDATES FOR EXECUTIVE AND MANAGEMENT POSITIONS, AND (B) INFORMATION ON FACILITIES WHICH MEMBER NATIONS GRANT, SUCH AS RESERVED CARGO PRIVILEGES. DUE BY SEPTEMBER 1: SECOND PAYMENT ON INITIAL OPERATING AND ADMINISTRATIVE FUND. DUE BY SEPTEMBER 30: THE SECRETARIAT WITH THE TECHNICAL SUPPORT AND COLLABORATION OF THE ASSIGNED EXPERTS, AND CONSIDERING PRIORITIES ESTABLISHED BY THEM, IS TO COMPILE, ANALYZE AND RECOMMEND POSSIBLE VARIATIONS OR MODIFICATIONS SUBMITTED BY THE MEMBERS AND REMIT SAME TO THEM. DUE BY OCTOBER 13: ALL STUDIES TO BE COMPLETED. DUE BY OCTOBER 30: FINAL CRITICISMS AND SUGGESTIONS BY EACH MEMBER ON THE SECRETARIAT'S REPORT OF STUDIES. DUE BY NOVEMBER 8: SECRETARIAT'S REPORT TO MEMBERSHIP ON FINAL RESULTS OF CRITICISMS AND SUGGESTED MODIFICATIONS. DUE BY NOVEMBER 15: MEETING OF FULL MEMBERSHIP TO STUDY POSSIBLE AMENDMENTS AND AGREEMENTS AND TO DECIDE NAMUCAR'S SUBSEQUENT DEVELOPMENT AT THE TERMINATION OF THE INITIAL SIX MONTHS' PROVISIONAL OPERATIONS. DUE BY NOVEMBER 28: TOTAL INDIVIDUAL CONTRIBUTIONS BASED ON SUBSCRIBED AND PAID CAPITALIZATION OF \$30 MILLION. IN THE EVENT THAT TOTAL PAYMENTS ARE NOT MADE, PARTIAL CONTRIBUTIONS SHALL BE MADE. DUE BY FEB. 29, 1976: IF AGREED TO ACCEPT PARTIAL PAYMENT ON CONTRIBUTIONS, FIRST PAYMENT DUE. DUE MAY 31: RE ABOVE, SECOND PAYMENT DUE. DUE AUGUST 31: RE ABOVE, THIRD PAYMENT DUE. TIRADO STATED NAMUCAR WILL PROBABLY BEGIN ADMINISTRATIVE OPERATIONS

BY THE END OF 1975 AND BEGIN VESSEL OPERATIONS WITH SIX,
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6000 TON CHARTERED GENERAL CARGO SHIPS SOMETIME DURING THE FIRST
QUARTER OF 1976.

COMMENT:

15. WHETHER OR NOT NAMUCAR PROGRESSES BEYOND THE INITIAL
PHASE OF ITS ADMINISTRATIVE DEVELOPMENT IS DIFFICULT TO PREDICT.
IT WOULD SEEM, HOWEVER, THAT THE ORGANIZATION HAS A LONG AND
ROUGH ROAD AHEAD PARTICULARLY IN VIEW OF THE APPARENT POLITICAL
AND ECONOMIC DIFFERENCES WHICH WILL INEVITABLY
ARISE WHERE EIGHT (OR MORE) SOVEREIGN, NATIONALISTICALLY INCLINED
NATIONS UNITE WITH A COMMON PURPOSE IN MIND.
SHLAUDEMAM

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 30 JUN 1975
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Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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